

# MEETING MINUTES

## EMPIRE STATION COMMUNITY ADVISORY COMMITTEE WORKING GROUP

**DATE/TIME:** June 29, 2022 / 4:00pm EST  
**WEEK #:** 16

**SUBJECT:** Penn Station Update  
**MEETING LEADER:** FEIS Update

*The following minutes prepared by Empire State Development are a summary of the meeting and are intended to capture only the main points made in the meeting. Discrepancies should be reported to Gabriella Green at Empire State Development **within three (3) calendar days** of distribution of this document.*

### PARTICIPANTS:

NAME	ORGANIZATION / AGENCY	NAME	ORGANIZATION / AGENCY
Hon. Brad Hoylman	New York State Senate	Brook Jackson	Partnership for NYC
Hon. Richard Gottfried	New York State Assembly	Brian Fritsch	Regional Plan Association
Hon. Mark Levine	Manhattan Borough President	Tom Wright	Regional Plan Association
Hon. Erik Bottcher	NYC Council	Thomas Devaney	The Municipal Art Society of NY
Maia Berlow	NYS Senator Brad Hoylman	Felicia Park-Rogers	Tri-State Transportation Campaign
Natalie Naculich	NYS Senator Brad Hoylman	Tokumbo	New School
Dario Quinsac	NYS Senator Robert Jackson	Shobowale	
Brad Usher	NYS Senator Liz Krueger	Marilyn Taylor	University of Pennsylvania
Wendi Paster	NYS Assemblyman Richard Gottfried	Renae Reynolds	Tri-State Transportation Campaign
Matt Tighe	NYS Assemblyman Richard Gottfried	Sara Appleton	Amtrak
Lizette Chaparro	Manhattan Borough President's Office	Isabella Creatura	Amtrak
Paul Goebel	Manhattan Borough President's Office	Petra Messick	Amtrak
Haley Schusterman	Manhattan Borough President's Office	Craig Schulz	Amtrak
Sean Coughlin	NYC Councilman Erik Bottcher	Sharon Tepper	Amtrak
Andrew Lassiter	NYC Council	Josh Kraus	NYCEDC
Louis Bailey	WE ACT for Environmental Justice	Ed Pincar	NYC DOT
Dan Biederman	34th Street Partnership	Jeremy Colangelo-Bryan	NJ Transit
Marrissa Williams	32BJ	Todd Discala	NJ Transit
Santos Rodriguez	Building & Construction Trades Council of NY	Joseph Quinty	NJ Transit
Christine Berthet	Community Board 4	Judy Kessler	Vornado
Jesse Bodine	Community Board 4	Barry Langer	Vornado
Paul Devlin	Community Board 4	Audrey Wilson	Vornado
Lowell Kern	Community Board 4	Carl Weisbrod	Vornado (Consultant)
E.J. Kalafarski	Community Board 5	Chi Chan	AKRF
Layla Law-Gisiko	Community Board 5	Connor Lacefield	AKRF
Clayton Smith	Community Board 5	Terence Cho	ESD
Eugene Sinigalliano	Resident Representative	Matthew Gorton	ESD
Julia Campanelli	Hell's Kitchen Block Association	Gabriella Green	ESD
Basha Gerhards	Real Estate Board of New York	Holly Leicht	ESD
		Phil Maguire	ESD

NAME	ORGANIZATION / AGENCY
Angel Santana	ESD
Anthony Semancik	ESD
Rachel Shatz	ESD

NAME	ORGANIZATION / AGENCY
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**Location:** Zoom

Item #	Description / Discussion
1.	<b><u>PRESENTATION</u></b> <ul style="list-style-type: none"> <li>See presentation on ESD <a href="#">website</a>.</li> </ul>
2.	<b><u>Q&amp;A AND COMMENTS</u></b>
i.	<ul style="list-style-type: none"> <li><b>Development Framework</b> <ul style="list-style-type: none"> <li>Has the goal of the project changed with the use of the terms “potential” and “some” in the FEIS when referring to the GPP developments as a source of funding for the Penn Station projects? (L. Law-Gisiko) <ul style="list-style-type: none"> <li>The overall goal of the project has not substantially changed between the DEIS and FEIS. The insertion of “potential” was done to clarify the contingent nature of the Penn Expansion. The insertion of “some” was done to clarify that the Penn Station projects were never anticipated to be 100% funded by the GPP revenues.</li> </ul> </li> <li>How did ESD determine the number of residential units allowed in the GPP? (C. Berthet) <ul style="list-style-type: none"> <li>The number of residential units in the Modified GPP reflects a balance between the need to generate revenue from market uses and the absence of any PILOT revenue generated from affordable housing uses. In addition, the number of residential units was increased to the maximum level that would not trigger a need for new environmental impact analyses.</li> </ul> </li> <li>The GPP needs to require housing on Sites 4 &amp; 8. And other community benefits need to be required on Sites 4-8 so that community gets benefits even if the southern sites are not approved for Penn Expansion. (P. Devlin, CM Bottcher, E. Sinigalliano) <ul style="list-style-type: none"> <li>The Affirmed GPP requires housing on Site 4 under either a “Residential/Hotel” or “Residential/Office” scenarios and permits, but does not require, housing on Site 8 under a “Residential/Commercial” scenario.</li> </ul> </li> <li>Was St. John the Baptist Church on Site 2 included in the EIS historic review? (P. Devlin) <ul style="list-style-type: none"> <li>Yes, St. John the Baptist Church was reviewed as part of the EIS historic review analysis.</li> </ul> </li> <li>The Design Guidelines should encourage net zero buildings. (M. Berlow)</li> </ul> </li> </ul>
ii.	<ul style="list-style-type: none"> <li><b>Transportation and Public Realm</b> <ul style="list-style-type: none"> <li>What does the tan shading on Eighth Avenue shown on slide 4 indicate? (C. Berthet) <ul style="list-style-type: none"> <li>The tan shading on Eighth Avenue shown on slide 4 indicates the approximate footprint of the subway station.</li> </ul> </li> <li>Will pedestrian flows continue to be analyzed as redevelopment occurs? (C. Berthet) <ul style="list-style-type: none"> <li>Yes, analysis of pedestrian flows will be an ongoing EIS monitoring step as redevelopment of the GPP sites occurs.</li> </ul> </li> <li>Are the Railroads still studying through-running as an option? And will there be multiple options studied in the NEPA review for Penn Expansion? (M. Berlow, E.J. Kalafarski) <ul style="list-style-type: none"> <li>Yes, multiple options, including through-running, will be analyzed in the forthcoming federal NEPA review for Penn Expansion.</li> </ul> </li> </ul> </li> </ul>

- The redevelopment of Penn Station needs to have a station system and public realm that is united and integrated with each other. Other examples of successful station systems include the London Shard, the Tokyo Marunuchi Station, and the Singapore subway system. (M. Taylor)
- Why is the MTA's RFP for the Penn Reconstruction design not available to the public and why do the bidders have to sign an NDA? (D. Quinsac)
  - MTA maintains confidentiality throughout the consultant procurement process so that consultants are assured that commercially confidential and privileged information does not inadvertently become public and is not inadvertently shared with other proposers. Also, Security Sensitive Information ("SSI") may be included an RFP. For these reasons, all proposers must sign an NDA. This posture is maintained until the contract negotiations are completed and the RFP is finalized and incorporated into the awarded Contract. MTA has not yet completed the contract negotiations nor executed the contract. MTA expects to execute the contract shortly.

iii.      • **Governance**

- It is essential to establish a single coordinating entity to coordinate the multiple Penn Station area projects and be charged with the long-term overall coordination among the State, the City of New York ("City"), the Railroads, property owners, developers, community stakeholders, and the public. This entity would implement an integrated plan for both the below-ground and above-ground projects and would have a single project director who coordinates all agencies and developers involved. (M. Levine, P. Devlin, T. Shobowale, M. Berlow, E. Sinigalliano, M. Taylor)
  - As per the [City-State Letter of Mutual Agreement](#) ("City-State LOMA"), ESD will establish a subsidiary development corporation comprising seven directors, four to be designated by the Governor and three to be designated by the Mayor, to ensure close City-State coordination. The subsidiary will have oversight of the project-related public realm improvements. In addition, the State will work with the MTA and other Railroads to ensure City representation on any interagency working group(s) formed to advise on Penn Reconstruction and Expansion or any similar structures they may convene for the Penn Station projects.
- Will the Public Realm Task Force ("PRTF") have input from both the City and State and who will be on the PRTF? (C. Weisbrod, F. Park-Rogers)
  - The PRTF will consist of representatives of elected officials, State and City governmental agencies, the Railroads, community stakeholders, and private property owners, and will consult with and advise ESD on public realm improvements in the project area and vicinity. ESD, in consultation with the PRTF, will prepare a Public Realm Improvement Concept Plan that will describe priority public realm improvements to be implemented in connection with the redevelopment of the sites. The PRTF will also solicit guidance and comments from the Department of City Planning and other stakeholders during the concept plan's development.

iv.        • **Financing**

- Will ESD be providing more financial details including anticipated revenues from Additional Development Rights ("ADR") and PILOT? (L. Law-Gisiko)
  - Please see the project cost assumptions and illustrative sources & uses document posted on the ESD [website](#).

- Have you projected the level of interest support payments that may be needed in light of recent changes in interest rates? (L. Law-Gisiko)
  - The level and structure of any required credit enhancement mechanisms would be determined at the time that one or more project-specific financings would take place for the Penn reconstruction and expansion projects. Factors that would affect these determinations include, but are not limited to, the allocation of cost sharing among the federal and state parties and the terms and requirements of the specific financing tool(s) selected to pursue, which may differ (e.g., a bond financing may have different requirements than a federal loan). It is premature at this time to project the level of interest support payments that would be required, if any, because we are not financing now. Any interest support payment requirements would be assessed in the future at the time of financing. Regardless, as per the City-State LOMA, the State will be able to reimburse itself from future project revenues for any such interest support payments it may have to make. The City successfully followed a similar structure at Hudson Yards and has now paid itself back fully for early outlays and has begun realizing significant net positive returns for taxpayers.
- How can we know how much money is needed if the project costs have not been finalized and the NEPA review and design have not been completed? (L. Law-Gisiko, E. Sinigalliano, E.J. Kalafarski)
  - ESD has posted the current project cost assumptions on the ESD [website](#). These cost estimates are subject to further revisions as design and engineering studies continue. However, the State cannot wait until the costs are finalized to obtain funding for its required cost share of the Penn projects. New York State cannot apply for and secure federal grant funding, without which these projects will not go forward, unless it has a viable financial plan to prove to the Federal Transit Administration (“FTA”) that it can fund its required local share. Development-related revenues through a value-capture mechanism as proposed here are a proven funding approach that the FTA has seen work successfully in other large infrastructure projects and is considered more reliable than annual budget negotiations.
- Will ADRs be priced at current market levels? (P. Devlin)
  - ESD has conducted an appraisal of the ADRs but will not lock into valuations of ADRs until such time as ESD executes site-by-site development agreements with site owners/developers at the time that they are ready to commence construction. ESD will capture the value of ADRs created by the GPP based on the then-fair market value rates to developers of the sites that reflect updated appraised values at the time of sale.
- Who at the City are engaged in negotiations with ESD on the financial framework? (F. Park-Rogers)
  - ESD has been engaged in productive discussions since January 2022 with the Adams administration, primarily with the Office of the Deputy Mayor of Economic Development and NYCEDC.
- The source of New Jersey’s funding for its portion of the Gateway project is toll money. However, using toll money as a source would likely not work for New York State. In addition to the \$1.3 billion NYS budget appropriation and funding from the Port Authority, New York should pursue favorable financing programs tailored to large infrastructure projects, such as

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	the Transportation Infrastructure Finance and Innovation Act program (“TIFIA”) and the Railroad Rehabilitation and Improvement Financing program (“RRIF”). (T. Wright)
v.	<ul style="list-style-type: none"> <li>• <b>Madison Square Garden (“MSG”)</b> <ul style="list-style-type: none"> <li>➤ What is the status of negotiations with MSG for the Hulu Theatre? (F. Park-Rogers) <ul style="list-style-type: none"> <li>○ MTA is having ongoing conversation with MSG for the Hulu Theatre, and is still considering conversion of the Hulu Theatre as an option for a new station entrance.</li> </ul> </li> <li>➤ The Penn Station redevelopment plans should include a plan to relocate MSG. (E. Sinigalliano)</li> </ul> </li> </ul>
vi.	<ul style="list-style-type: none"> <li>• <b>Human Assets</b> <ul style="list-style-type: none"> <li>➤ Will additional homeless services be part of the GPP? (P. Devlin, Sen. Hoylman) <ul style="list-style-type: none"> <li>○ As outlined in the City-State LOMA, “the State will fund additional social services in and around the Penn Station Area GPP Project Area in amounts to be determined following consultation with local stakeholders and social service agencies.”</li> </ul> </li> <li>➤ As part of the FEIS analysis, were there any changes or increases to the number of potentially displaced residents? (M. Berlow) <ul style="list-style-type: none"> <li>○ The number of people potentially displaced was refined in the FEIS. The FEIS also contains <a href="#">Responses to Public Comments</a> on the issue of potential displacement. Overall, the FEIS projects that 214 residents would be displaced from 128 housing units, assuming all units are occupied in the future. For example, current City housing records show that 55 units on Site 1 are vacant, however, to ensure a conservative analysis, these units are still assumed to be occupied in the future.</li> </ul> </li> </ul> </li> </ul>
vii.	<ul style="list-style-type: none"> <li>• <b>Public Approvals/Administration</b> <ul style="list-style-type: none"> <li>➤ What will ESD be presenting to the Public Authorities Control Board (“PACB”)? (L. Law-Gisiko) <ul style="list-style-type: none"> <li>○ ESD will be presenting the essential terms of the City-State LOMA and will ask PACB for approval for ESD to enter into a binding PILOT agreement with the City.</li> </ul> </li> <li>➤ When are comments on the FEIS due? (Sen. Hoylman) <ul style="list-style-type: none"> <li>○ Comments on the FEIS are due no later than 12:00 PM ET, July 11, 2022 as per the <a href="#">FEIS Notice of Completion</a>.</li> </ul> </li> <li>➤ When will ESD send responses to the Senate’s follow-up questions to the June 24, 2022 Senate hearing? (Sen. Hoylman) <ul style="list-style-type: none"> <li>○ ESD sent responses to the Senators’ questions on July 8, 2022.</li> </ul> </li> <li>➤ What is the process of attaching a developer to Sites 1-3? (F. Park-Rogers) <ul style="list-style-type: none"> <li>○ If Sites 1-3 are selected as the preferred alternative for Penn Expansion, ESD would issue development requests for proposals (“RFP”) after the completion of the NEPA review and after the sites are acquired by a State or other public entity. ESD would issue the RFP when the design of Penn Expansion is taking place so that the future developers of Sites 1-3 can coordinate its designs for the Sites 1-3 developments with the design of Penn Expansion.</li> </ul> </li> <li>➤ Would Sites 1-3 be demolished before designating a developer for those sites? (F. Park-Rogers)</li> </ul> </li> </ul>

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	<ul style="list-style-type: none"> <li>○ The timing of the demolition of Sites 1-3 would be tied to the timing of when the Railroads need to start construction on Penn Expansion after the relocation of current residents. At this time, ESD and the railroads do not have enough information to confirm when demolitions on Sites 1-3 would occur if those sites are selected as the preferred alternative for Penn Expansion.</li> </ul>
➤	<p>What can current residents expect for communications over the next few months? (M. Berlow)</p> <ul style="list-style-type: none"> <li>○ In the Response to Comments to the FEIS, there is an expanded section for the federal requirements for relocation and displacement , for which a plan must be approved by the federal government and be subject to federal requirements, including the Uniform Relocation Assistance &amp; Real Property Acquisition Policies Act (“Uniform Act”). As part of the relocation provisions, displaced persons may be eligible to receive rental or other relocation assistance above monetary caps outlined in federal regulations if comparable housing cannot be found. Such a program was approved by the Federal Transit Administration and successfully implemented by MTA for rent-regulated residents displaced by the first phase of the Second Avenue Subway Project.</li> </ul> <p>As a reminder, the GPP does not authorize ESD to acquire property interests for the Project by eminent domain, and the Railroads cannot proceed with property acquisition of the potential Penn Station expansion sites (Sites 1, 2 and 3) without those sites being selected as the preferred alternative in the federal approval process and prior to the completion of the federal NEPA environmental review for the station expansion. Any communications with property owners and tenants who would be displaced by a station expansion and the timing for such communications would be approved by the federal government when condemnation proceedings are set to begin. Because any condemnation proceedings would only begin after the completion of the federal NEPA review, which is not yet underway, the timeline for any substantive communications on condemnation likely is several years away.</p>
➤	<p>When will the Neighborhood Conditions Study be updated with the corrected information submitted by the CACWG? (E. Sinigalliano)</p> <ul style="list-style-type: none"> <li>○ The Neighborhood Conditions Study with an addendum reflecting updates to the study can be found on the ESD <a href="#">website</a>.</li> </ul>